

Federal Student Aid

# What you need to know about President Biden's student debt relief plans

Grace,

President Biden is committed to fixing broken student loan programs and making sure higher education is a ticket to the middle class—not a barrier to opportunity. So far, the Biden-Harris Administration has approved student debt cancellation for 4.76 million Americans through various actions, fixed Public Service Loan Forgiveness so borrowers get the relief they are entitled to under the law, made the largest increase to the maximum amount of the Pell Grant in a decade, and launched the most affordable student loan repayment plan ever—the Saving on a Valuable Education (SAVE) Plan.

As part of this commitment, in April, President Biden announced new plans to cancel student debt for various categories of student loan borrowers. As part of these new efforts, the U.S. Department of Education (ED) aims to provide debt relief to certain borrowers this fall. ED is in the process of finalizing who will be eligible for student debt relief, but we want to make you aware of this potential relief.

**If you WANT to be included in potential student debt relief, you don't need to take any action.**

**If you DON'T WANT to receive the debt relief the finalized regulations may provide, you need to contact your servicer(s) by Aug. 30, 2024 to opt out.** If you opt out, you won't be able to opt back in.

EXHIBIT

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**114**  
Note that if you opt out, you will also be opted out of forgiveness due to enrollment in an income-driven repayment (IDR) plan for the next several months and won't have the option to opt back in. If you opt out, we will automatically reevaluate your eligibility for IDR forgiveness at a later date; you won't need to take any action for that to occur.

## Your Loan Servicer Information

Find your loan servicer contact information.

## Who May Be Eligible for This Forgiveness?

We're currently working to finalize new regulations that include who may receive loan forgiveness. If finalized as we have already proposed, the regulations would authorize me to provide partial or full debt relief to borrowers in the following four circumstances:

### 1. Borrowers who owe more than they did at the start of repayment:

- Your current balance on an **unconsolidated Direct Loan, ED-held Federal Family Education Loan (FFEL) Program loan\*, or ED-held Perkins loan\*** is greater than the balance of that loan when it entered repayment.
- Your current balance on a **consolidation loan** is greater than the balance of the loans included in your consolidation loan when the original loans entered repayment.

### 2. Borrowers who first entered repayment many years ago: You have **only undergraduate loans**, and at least one of those loans entered repayment on or before July 1, 2005. Or, you have **at least one graduate loan**, and at least one of your undergraduate or graduate loans entered

115  
repayment on or before July 1, 2000.

- 3. Borrowers who are otherwise eligible for loan forgiveness but have not yet applied:** You haven't enrolled in an **income-driven repayment (IDR) plan** but would be eligible for relief. Or you would be eligible for closed school discharge or other types of forgiveness opportunities but haven't successfully applied for that relief.
- 4. Borrowers who enrolled in low-financial value programs:**
  - You attended an institution that **failed to provide sufficient financial value**.
  - You attended an institution that **failed one of ED's accountability standards for institutions**.

*\*Please note that this opt-out is only for loans held by ED. It does not apply to commercially managed FFEL loans or Perkins Loans held by institutions.*

For more information, including how much of your debt could be forgiven, visit [StudentAid.gov/debt-relief](https://StudentAid.gov/debt-relief).

[Learn More](#)

The Biden-Harris Administration is committed to bringing higher education in reach for more Americans. We will use every tool at our disposal to lower student loan payments and provide debt relief to eligible borrowers.

We won't stop fighting for you!



Miguel A. Cardona, Ed. D.  
Secretary of Education

## Beware of Scams

You **never** have to pay for help with your federal student aid. You might be contacted by a company via phone, email, or postal mail saying they will help you get loan discharge, forgiveness, cancellation, or debt relief for a fee. Make sure you work **only** with the U.S. Department of Education and our loan servicers, and **never** reveal your personal information or account password to anyone.

Our emails to borrowers come from [noreply@studentaid.gov](mailto:noreply@studentaid.gov), [noreply@debtrelief.studentaid.gov](mailto:noreply@debtrelief.studentaid.gov), or [ed.gov@public.govdelivery.com](mailto:ed.gov@public.govdelivery.com). You can report scam attempts to the Federal Trade Commission by calling 1-877-382-4357 or by visiting [reportfraud.ftc.gov](http://reportfraud.ftc.gov).

Learn more about how to [avoid student aid scams](#).



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